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IN THE UNITED STATES PATENT AND TRADEMARK OFFICE
BEFORE THE TRADEMARK TRIAL AND APPEAL BOARD

Proceeding	92056801
Party	Defendant Andrew Bert Foti
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Date	03/05/2014
Attachments	Fotis Reply.pdf(175219 bytes) Exhibit 1 to Reply.pdf(46294 bytes)

**IN THE UNITED STATES PATENT AND TRADEMARK OFFICE
BEFORE THE TRADEMARK TRIAL AND APPEAL BOARD**

NutriLife International, Inc.

Petitioner

v.

Andrew Bert Foti

Respondent.

Petition to Cancel

Cancellation No. 92056801

Trademark Registration No. 3,815,143

For the Mark: NUTRALIFE

Date Registered: 6 July, 2010

**RESPONDENTS' REPLY IN FURTHER SUPPORT OF
CROSS-MOTION FOR SUMMARY JUDGMENT**

Andrew Bert Foti ("Respondent"), through the undersigned attorneys, hereby replies to Petitioner NutriLife International, Inc. ("Petitioner")'s Reply and Opposition to Respondent's Cross-Motion for Summary Judgment, pursuant to Fed.R.Civ.P. 56 and Trademark Rule 2.127(e). As set forth in the attached Brief, Respondent disagrees with Petitioner's position that prior registration is not a valid defense to a cancellation proceeding. The case law cited by Respondent, which Petitioner has entirely failed to address, supports the argument that, because Respondent was the first to seek federal registration of his mark, he should be allowed exclusive use of it in the entire U.S. territory, except for those geographic areas in which Petitioner can demonstrate that he used the mark prior to Respondent's registration. Moreover, contrary to Petitioner's contention, Respondent has shown all the necessary requirements for his laches defense to prevail. Finally, in its response in opposition to Respondent's cross-motion for summary judgment, Petitioner, for the first time in this case, produced invoices showing its purportedly continuous use of the NUTRILIFE mark in commerce. Notwithstanding that Respondent specifically requested during discovery the production of documentary evidence to support any use of Petitioner's mark in commerce between 2006 and 2011, and no invoices were produced in response to said request, Petitioner now attempts to introduce

invoices and a sworn statement to argue that it did in fact make sales under the NUTRILIFE mark during the period in question. This evidence should be disregarded by the Board as it was knowingly kept from Respondent until after the filing of the summary judgment briefs.

Accordingly, Respondent respectfully reiterates that Petitioner's request for cancellation of Trademark Registration No. 3,815,143 should be denied and this proceeding should be dismissed, with prejudice.

WHEREFORE, Respondent respectfully requests that Petitioner's request for cancellation of Trademark Registration No. 3,815,143 be denied and this proceeding be dismissed, with prejudice.

Respectfully submitted.

Dated: March 5, 2014

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RESPONDENTS' MEMORANDUM IN SUPPORT OF REPLY

Andrew Bert Foti ("Respondent"), through the undersigned attorneys, hereby replies to Petitioner NutriLife International, Inc. ("Petitioner")'s opposition to its cross-motion for summary judgment, pursuant to Fed.R.Civ.P. 56 and Trademark Rule 2.127(e). As grounds therefor, Respondent respectfully states:

PRELIMINARY STATEMENT

In its opposition to Respondent's cross-motion for summary judgment, Petitioner incorrectly argued that, since it purportedly has standing and priority of use, Respondent's federal trademark registration must be cancelled. Petitioner advances this position without even addressing the cases cited by Respondent which hold the opposite. Petitioner also contends that Respondent failed to show that he has been prejudiced by Petitioner's delay in filing this cancellation proceeding, a required element for a laches defense to prevail. Respondent disagrees with Petitioner's argument and posits that it has shown it has been prejudiced by Petitioner's inaction and would be further prejudiced if his trademark registration is cancelled. Finally, Petitioner argued that Respondent improperly raised the issue of abandonment and that, even if such argument is allowed, Petitioner has not abandoned its mark. In support of this last argument, Petitioner introduced invoices which were not produced during discovery, even

though Respondent specifically requested the production of documents evidencing Petitioner's alleged use of the mark in interstate commerce between 2006 and 2011. Thus, Respondent respectfully requests that these newly-produced invoices be disregarded by the Board, since Petitioner has not provided a valid justification for its failure to produce them during discovery.

Respondent will show that Petitioner's arguments are neither supported by the facts nor by the applicable case law. Accordingly, Respondent reiterates his request for dismissal of this cancellation proceeding and for the issuance of summary judgment in favor of Respondent.

ARGUMENT

A. Petitioner has not Met the Burden Proof Required for a Showing of Priority of Use

Petitioner continues to argue that it has standing and priority of use and, thus, without more, its request for cancellation should be granted. Petitioner not only fails to cite to any case law in support of this contention, but it has also completely ignored the cases cited by Respondent, which support the opposite conclusion.

Petitioner alleges that he has priority of use, but has not shown that his use meets the necessary standard to acquire proprietary rights. "Before a prior use becomes an analogous use sufficient to create proprietary rights, the petitioner must show prior use sufficient to create an association in the minds of the purchasing public between the mark and the petitioner's goods." *Herbko Intern., Inc. v. Kappa Books, Inc.*, 308 F.3d 1156, 1162 (Fed.Cir. 2002). Additionally, when priority is based on common law trademark rights, as in this case (since Petitioner has failed to secure federal registration) "the senior user [...] must first demonstrate the territorial extent of his rights." *Dudley v. Healthsource Chiropractic, Inc.*, 883 F.Supp.2d 377, 389 (W.D.N.Y. 2012); *see also Natural Footwear Ltd. v. Hart, Schaffner & Marx*, 760 F.2d 1383, 1398–1399 (3rd Cir. 1985) (*quoting* 15 U.S.C. § 1115(b)(5) ("prior use applies 'only for the area in which [...] continuous prior use is proved.'")). Whereas federal registration confers nationwide territorial rights, whether or not the registrant actually uses the mark nationwide or only in a limited territory, *see Dawn Donut Co. v. Hart's Food Stores, Inc.*, 267 F.2d 358, 362 (2d

Cir.1959), common law rights acquired through actual use of the mark, prior to another party's federal registration, are limited to its zone of prior use or "zone of exclusivity." See *Allard Enterprises, Inc. v. Advanced Programming Res., Inc.*, 249 F.3d 564, 572 (6th Cir. 2001). Therefore, when the junior user is the federal registrant, as in this case, the senior user's territorial rights are limited to the geographic area in which he established common law trademark rights prior to the issuance of the federal registration. See *Dudley*, 883 F.Supp.2d at 389-390. Accordingly, since Petitioner has failed to show that his use of the NUTRILIFE mark in commerce, prior to Respondent's federal registration, extends throughout all of the territory of the United States, it does not have standing to seek cancellation of Respondent's mark for the entire territory of the United States. At best, Petitioner could argue that it has standing to request concurrent use, limited to the geographic areas where it has priority of use. But, since Petitioner has not shown that it has a zone of prior use or "zone of exclusivity," it cannot even demonstrate that it is entitled to a concurrent use registration. Therefore, Petitioner's simplistic argument that he has standing and priority of use and, thus, the cancellation of Respondent's registration should be granted, is flawed and should be denied.

Moreover, Respondent has cited to several cases where the prior registrant has been allowed to retain the nationwide protection provided by the Lanham Act because the prior user does not apply for a registration before registration is granted to the junior user. See e.g. *Weiner King, Inc. v. Wiener King Corp.*, 615 F.2d 512, 523-524 (C.C.P.A. 1980); *In re Beatrice Foods Co.*, 429 F.2d 466, 474 n. 13 (C.C.P.A. 1970); 3 McCarthy on Trademarks and Unfair Competition § 20:84 (4th ed.); see also *Coastal Chemical Co., Inc. v. Dust-A-Way, Inc.*, 139 U.S.P.Q. 208 (1963) ("The first holder of unrestricted federal rights should retain these rights to the maximum geographical extent."). Petitioner has utterly failed to address this line of cases or argue that these cases are inapplicable. Therefore, the Board should deny Petitioner's request for cancellation of Respondent's registration.

B. Respondent has Shown all the Necessary Elements of a Laches Defense

Petitioner argues that Respondent has not shown a *prima facie* defense of laches because he has not demonstrated he suffered material prejudice as a result of the delay. Respondent has shown that he has been using his NUTRALIFE mark continuously in interstate, territorial, and international commerce in connection with the sale and marketing of cookware, pots and pans, steamers, frying pans, skillets, and cooking strainers, among other products since at least as early as November 20, 2008. See Cross-Motion, Statement of Material Facts No. 4. During this period, Respondent has invested considerable resources in developing the goodwill of his mark. Moreover, when Respondent filed his application for registration of the NUTRALIFE mark there were no conflicting registered marks. See Cross-Motion, Statement of Material Facts No. 5. Therefore, Respondent, until recently, continued to innocently use the NUTRALIFE mark without knowledge of Petitioner's alleged prior use. See *Willson v. Graphol Products Co.*, 188 F.2d 498, 505 (Cust. & Pat.App. 1951) ("It is our opinion that appellants' registration constituted constructive notice to appellee, and that appellee, having stood idly by for some ten years during which time appellants innocently conducted and built up their business until it was larger than that of appellee, is now precluded by laches from obtaining cancellation of appellants' trade-marks."). Accordingly, Petitioner would unquestionably suffer material prejudice if his mark is cancelled because he would have to devote significant resources, which cannot be estimated at this time, in order to begin operating his business under a new mark. This prejudice is a direct result of Petitioner's delay because, had it timely opposed Respondent's application or filed this cancellation proceeding sooner, Respondent would not have continued to invest resources in developing the goodwill of the NUTRALIFE mark. See *Hylo Co. v. Jean Patou, Inc.*, 215 F.2d 282, 284 (Cust. & Pat.App. 1954) ("Under the circumstances set forth above we think this delay of more than eight years in bringing this proceeding, during which time appellant continuously used its said mark and has built up a valuable good will in connection with the mark constitutes such laches as to estop appellee from

now asserting that it would be injured by the continued existence and use of the mark.”) The evidence on record supports Respondent’s contention that he will be materially prejudiced from Petitioner’s delay in filing this cancellation proceeding and, thus, Petitioner should be estopped by the doctrine of laches from advancing this cancellation proceeding.

Petitioner further argues that its delay was reasonable because it had not realized that it did not have a registered trademark. The fact that Petitioner thought it had a registered trademark is simply not a valid excuse for its unreasonable delay. The Trademark Electronic Application System (TEAS) filing receipt, which Petitioner attached as Exhibit A to its Reply and Opposition, specifically warns that “your mark is **not** registered and is considered a ‘pending’ application.” (Emphasis in original) Additionally, the filing receipt also advises the applicant that “[i]t is **CRITICAL** that you check the status of your application **at least every 3 – 4 months.**” (Emphasis in original) Therefore, Petitioner’s failure to read and understand the filing receipt and its mistaken belief that its mark had been registered cannot be used to excuse its unreasonable delay. Moreover, Petitioner alleges that it lacked knowledge of Respondent’s use of the NUTRALIFE mark until its second application for registration was denied due to likelihood of confusion with Respondent’s mark. Yet, Respondent’s trademark registration put Petitioner on constructive notice of Respondent’s use of the mark. In addition, before filing its second application for registration, Petitioner should have conducted a search of the USPTO Trademark Registry in order to determine whether there were any conflicting registrations. In fact, in order to file an application for registration, the registrant is required to declare that “to the best of his/her knowledge and belief no other person [...] has the right to use the mark in commerce, either in the identical form thereof or in such near resemblance thereto as to be likely, when used on or in connection with the goods/services of such other person, to cause confusion.” See Exhibit A to Petitioner’s Reply and Opposition. Given that Petitioner signed this Declaration as part of its application for registration, it should have taken reasonable measures to determine

whether there were any conflicting registrations. Had it done so, Petitioner would have been put on notice of Respondent's registration.

C. Petitioner's Abandonment of its Mark

Petitioner argues that respondent cannot obtain summary judgment on the issue of abandonment because he did not plead this in his Answer. Respondent does not argue that Petitioner's abandonment of its mark in 2006 is a ground for summary judgment on its own, but rather, that it is evidence of Petitioner's lack of continued, uninterrupted use, a necessary element to show priority. "To establish ownership of a mark, the prior user must establish not only that at some date in the past it used the mark, but that such use has continued to the present." 2 McCarthy on Trademarks and Unfair Competition § 16:9 (4th ed. 2010). "The party claiming common law priority bears the burden to show continuing use." *Spin Master, Ltd. v. Zobmondo Entertainment, LLC*, 944 F.Supp.2d 830, 852 (C.D.Cal. 2012). Moreover, since "Petitioner is not objecting and wishes instead to respond to the allegation of abandonment," (Reply and Opposition at p. 12) its contention that this issue must not be considered in summary judgment should be deemed waived.

In order to rebut Respondent's argument that there is no admissible evidence that Petitioner used the NUTRILIFE mark between March 2006 and July 2011, Petitioner now attaches a self-serving sworn declaration attesting to the continuous use of the mark. Additionally, as Exhibits to the declaration, Petitioner proffered several invoices for sales that allegedly took place during the years 2007 through 2011. These invoices were not produced as part of Petitioner's mandatory initial disclosures or with its responses to discovery requests. Respondent's Interrogatory Number 10 required Petitioner to "[d]escribe any documents evidencing any use of the mark NutriLife in commerce between 2006 and 2011." Among the documents described by Petitioner, it mentioned customer order forms, purchase contracts, and invoices which "bear the marks." Moreover, in Request for Production number 5, Respondent requested the production of "all documents identified in your answer to Interrogatory No. 10."

Petitioner responded: “See Response to RFP 1.” See **Exhibit 1**, hereto. In its response to Request for Production 1, Petitioner indicated that “Electronic scans of a selection of order forms and invoices relied upon for commercial-use dates are provided.” Among the electronic scans of order forms and invoices produced by Petitioner in its response to RFP 1, there were absolutely no documents showing sales between March 2006 and July 2011. Thus, Respondent argued in its cross-motion for summary judgment that Petitioner’s use was not continuous, but rather, that its use of the mark had been abandoned in 2006 and only resumed in late 2011.

Petitioner now purports to introduce as evidence invoices of sales that allegedly took place between 2007 and 2010, but which had never been produced to Respondent, even though he specifically requested the production of such documents in its discovery requests. Therefore, because Petitioner decided to keep these invoices from Respondent, it should be precluded from relying on them to controvert Respondent’s argument of non-continuous use. Petitioner’s only attempt to explain the newly produced invoices is its argument that since discovery was limited to the issue of priority of use, its discovery record is lacking in the years following its first use of the NUTRILIFE mark. This argument fails for two reasons. First, as stated above, the applicable case law clearly holds that a party claiming priority of use must not only show that it began using the mark in commerce on some past date, but also, that it has continued to use the mark until the present without interruption. See *e.g. Spin Master, Ltd. v. Zobmondo Entertainment, LLC*, 944 F.Supp.2d 830, 852 (C.D.Cal. 2012); see also 2 McCarthy on Trademarks and Unfair Competition § 16:9 (4th ed. 2010). Therefore, Petitioner’s burden of proof during discovery was not limited to its first use of the mark. Moreover, Petitioner’s contention contradicts its own document production, which includes invoices showing sales in 2011, 2012 and 2013, years after its alleged first use in 2002, yet, inexplicably, contains no invoices of sales between 2007 and 2010. Second, Petitioner’s argument that it did not produce the newly-proffered invoices because discovery was limited to priority of use is of no avail

because Respondent specifically requested the production of documents evidencing Petitioner's alleged use of the mark between 2006 and 2011. Petitioner did not object to this interrogatory on the ground that discovery was limited to priority of use, but rather, it provided "responsive" documents. Nevertheless, the purportedly "responsive" documents did not include a single invoice or order form corresponding to sales taking place between 2007 and 2010. Therefore, Respondent respectfully requests that the Board disregard the newly produced invoices since they were knowingly kept from Respondent and Petitioner has failed to provide a satisfactory explanation for this contradiction. See *Orta-Castro v. Merck*, 447 F.3d 105, 110 (1st Cir. 2006) (Confirming district court's decision to disregard affidavit submitted in support of opposition to motion for summary judgment which contradicted prior testimony and failed to provide a satisfactory explanation for the subsequent change in testimony).

CONCLUSION

Petitioner has failed to establish continuous uninterrupted use of its mark sufficient to establish any common-law right of ownership. Therefore, Petitioner cannot claim that it is the senior user of the mark. Additionally, Petitioner has failed to show that its purported prior and continuous use extends throughout the entire territory of the United States. Thus, it has not met the burden of proof required by the applicable case law in order to show priority. Moreover, Respondent adopted his own mark, without knowledge of Petitioner's prior use, and diligently sought the protection of the Lanham Act by applying for federal registration with the USPTO. Petitioner, although on constructive knowledge of Respondent's application, failed to voice an opposition to his use of the NUTRALIFE mark, which it now argues was due to its mistaken belief that he had a registered trademark and did not know of Respondent's use of the NUTRALIFE mark. Petitioner's claims should be precluded by the doctrine of laches. Finally, Respondent respectfully requests that the Board disregard the recently-proffered evidence, which was knowingly kept from Respondent until the filing of Petitioner's Reply and Opposition. Finally, as established by the case law cited by Respondent, which has not been controverted

by Petitioner, the first holder of unrestricted federal rights should retain these rights to the maximum geographical extent.

WHEREFORE, Respondent respectfully requests that Petitioner's Motion for Summary Judgment be denied and that its Cross-Motion for Summary Judgment be granted, dismissing Petitioner's "Petition to Cancel."

RESPECTFULLY SUBMITTED.

I hereby certify that this "Response and Cross-Motion for Summary Judgment" is being transmitted via the Electronic System for Trademark Trials and Appeals (ESTTA) on the PTOnet to the United States Patent and Trademark Office on the date shown below and that an exact copy is being noticed to all counsel of record.

Respectfully submitted.

Dated: March 5, 2014

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Exhibit 1

**IN THE UNITED STATES PATENT AND TRADEMARK OFFICE
BEFORE THE TRADEMARK TRIAL AND APPEAL BOARD**

NutriLife International, Inc.)	PETITIONER'S RESPONSES TO
Petitioner)	RESPONDENT'S REQUESTS FOR PRODUCTION
)	
<i>v.</i>)	Cancellation No. <u>92056801</u>
Andrew Bert FOTI,)	Trademark Registration No. <u>3,815,143</u>
)	For the mark: <u>NUTRALIFE</u>
Respondent)	Date registered: <u>6 July 2010</u>

Pursuant to and in accordance with the rules and standards of the Federal Rules of Civil Procedure, in particular, Fed. R. Civ. Pro. 34, Petitioner NutriLife International, Inc. ("NutriLife") responds to Respondent's submitted requests for production as follows:

General Objection

Petitioner objects to any definition or instruction that deviates or alters Petitioner's obligations under convention, the Federal Rules of Civil Procedure and related Trademark Trial and Appeal Board Rules.

Responses to Requests for Production

1. Documents identified in your answer to Interrogatory No. 2.

Response:

Electronic scans of a selection of order forms and invoices relied upon for commercial-use dates are provided.

2. Documents identified in your answer to Interrogatory No. 4.

Response:

See response to RFP 1.

3. Documents identified in your answer to Interrogatory No. 6.

Response:

See response to RFP 1.

4. Documents identified in your answer to Interrogatory No. 8.

Response:

No responsive documents.

5. Documents identified in your answer to Interrogatory No. 10.

Response:

See response to RFP 1. Also provided: digital photograph of a selection of advertising brochures and pamphlets, and screenshot of front page of website.

6. Documents identified in your answer to Interrogatory No. 12.

Response:

See response to RFP 5.

7. Documents identified in your answer to Interrogatory No. 13.

Response:

Interrogatory No. 13 does not call for documents.

8. Documents identified in your answer to Interrogatory No. 14.

Response:

Interrogatory No. 14 does not call for documents.

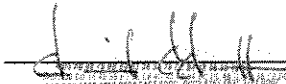
9. Documents identified in your answer to Interrogatory No. 15.

Response:

Interrogatory No. 15 does not call for documents.

Dated: 18 November, 2013

Respectfully submitted,
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Attorney for Petitioner

Digitally signed by
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Date: 2013.11.18

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